## RECEIVED

FEB 2 4 2005

PUBLIC SERVICE COMMISSION

**CASE NO. 2006-00025** 

**NEON CELL SITE** 

LETCHER COUNTY, KENTUCKY

# COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION



FEB 2 4 2008

PUBLIC SERVICES

In the matter of:

THE APPLICATION OF EAST KENTUCKY NETWORK	)	•
LIMITED LIABILITY COMPANY FOR THE ISSUANCE	)	
OF A CERTIFICATE OF PUBLIC CONVENIENCE AND	)	CASE No 2006-00025
NECESSITY TO CONSTRUCT A TOWER IN LETCHER	)	
COUNTY KENTUCKY)	•	

In case number 91-002 East Kentucky Network, LLC, formerly Mountaineer Cellular Limited Liability Company was granted a Certificate of Public Convenience and Necessity by the Kentucky Public Service Commission to construct and operate a cellular radio telecommunications system for KY RSA 10.

In an effort to improve service in Letcher County, East Kentucky Network, LLC Pursuant to KRS 278.020 Subsection 1 and 807 KAR 5:001 Section 9 is seeking the Commission's approval to construct a tower near Neon, Kentucky. The proposed tower will be a 265-foot self-supporting tower located on the North side of Potters Fork of Boone Fork, near Neon Junction, Letcher County, Kentucky. A map and detailed directions to the site can be found in Exhibit 8.

East Ky Network LLC merger documents were filed with the Commission on February 2, 2001 in Case # 2001-022.

FAA and Kentucky Airport Zoning Commission approvals have been applied for but are still pending. Final approvals will be submitted to the commission at a later date. These applications are enclosed as Exhibit 4 and 6...

No Federal Communications Commission approval is required prior to construction of this facility. Once service is established from this tower we must immediately notify the Federal Communications Commission of its operation. Prior approval is needed only if the proposed facility

increases the size of the cellular geographic service area. This cell site will not expand the cellular geographic service area.

A geologist was employed to determine soil and rock types and to ascertain the distance to solid bedrock. The geotechnical report is enclosed as Exhibit 3.

A copy of the tower design information is enclosed as Exhibit 5. The proposed tower has been designed by engineers at All-State Tower, Inc. of Henderson, KY and will be constructed under their supervision. Their qualifications are evidenced in Exhibit 5 by the seal and signature of the registered professional engineer responsible for this project.

The tower will be erected by A & D Communication of Cattlesburg, Kentucky. A & D has vast experience in the erection of communications towers.

Enclosed, and should be filed with Exhibit 10, back of folder, is a survey of the proposed tower site signed by a Kentucky registered professional engineer. There is no structure within 500 feet of the proposed tower as indicated in this enclosure. Exhibit 2 is a list of all Property owners or residents within 500' of the proposed tower. No other properties are contiguous with East Kentucky's property.

Exhibit 10, back of folder, also contains a vertical sketch of the tower supplied by Coleman Engineering.

Pursuant to 807 KAR5:063 Section s1 (1)(L) and Section 1(1)(n)(1) all affected property owners according to the property valuation administrator's record who reside or own property within 500 feet of the proposed Tower were notified by certified mail return receipt requested of East Kentucky Network, LLC's proposal and informed of their right to intervene. They were given the docket number under which this application is filed. Enclosed in Exhibit 2 is a copy of that notification. Letcher County has no formal local planning unit. In absence of this unit the Letcher County Judge Executive's office was notified by certified mail, return receipt requested of East

Kentucky Network's proposal and informed of their right to intervene. They were given the docket number under which this application is filed. Enclosed in Exhibit 1 is a copy of that notification.

East Kentucky Network will finance subject Construction with earned surplus in General Fund.

Estimated Cost of Construction 140, 000.00 Annual Operation Expense of Tower 12,500.00

A sign 24" X 48" which conforms to the Public Service Commissions guidelines issued on September 3, 1997 was posted on the site on February 13, 2006 and will remain posted for at least two weeks after filing of this application as specified by the PSC guidelines. A second such sign was posted at the nearest public road, and will remain posted two weeks after this filing.

Enclosed in Exhibit 9 is a copy of East Kentucky Network LLC's deeds to the site.

Notice of the location of the proposed construction was published on the second and third weeks of February in The Mountain Eagle, Whitesburg, Kentucky. Enclosed is a copy of that notice in Exhibit 1. The Mountain Eagle is the newspaper with the largest circulation in Letcher County.

The proposed construction site is on a very rugged mountaintop some feet from the nearest structure. Prior to construction, the site was wooded.

Due to the steep hillside surrounding the proposed site, the property in close proximity is unsuitable for any type of development. East Kentucky Network LLC's operation will not affect the use of nearby land nor its value. No more suitable site exists in the area. A copy of the search area map is enclosed in Exhibit 8. No other tower capable of supporting East Kentucky Network LLC's load exists in the general area; therefore, there is no opportunity for co-location of our facilities with anyone else.

WHEREFORE, Applicant respectfully requests that the PSC accept the foregoing Application for filing, and having met the requirements of KRS [278.020(1), 278.650, and 278.665] and all applicable rules and regulations of the PSC, grant a Certificate of Public Convenience and Necessity to construct and operate the proposed tower.

The foregoing document was prepared by Janice Robinson, Technical Site Coordinator for East Kentucky Network d/b/a Appalachian Wireless. All related questions or correspondence concerning this filing should be mailed to Gerald Robinette, General Manager, East Kentucky Network, LLC d/b/a Appalachian Wireless, P. O. Box 405, Prestonsburg, KY 41653.

SUBMITTED BY: Levall F. Robinette

DATE: 2-22-06

Gerald Robinette, General Manager

## Contacts:

Gerald Robinette, General Manager Phone: (606) 791-2375, Ext. 111

Email: grobinette@ekn.com

Janice Robinson, Technical Site Coordinator

Phone: (606) 791-2375, Ext. 166 Email: jrobinson@ekn.com

## **Mailing Address:**

East Kentucky Network, LLC. d/b/a Appalachian Wireless 355 Village Drive P. O. Box 405 Prestonsburg, KY 41653

# ST KENTUCKY NETWORK, LLC ,a APPALACHIAN WIRELESS

## NEON CELLTOWER SITE Letcher County, KY CASE # 2006-00025

EXHIBIT	<u>ITEM</u>
1)	NOTIFICATION/RESPONSE FROM COUNTY.
2)	COPIES OF CELL SITE NOTICES.
3)	UNIVERSAL LETTER OF SOIL BEARING ANALYSIS.
4)	KENTUCKY AIRPORT ZONING COMMISSION APPLICATION.
5)	TOWER DESIGN.
6)	FAA APPROVAL/NOTICE OF PROPOSED CONSTRUCTION.
7)	2004 AUDITED FINANCIAL STATEMENTS.
8)	MAPS TO SUITABLE SCALE.
9)	DEED/LEASE AGREEMENT FOR PROPOSED SITE.
10)	SURVEY OF SITE SIGNED/SEALED BY PROFESSIONAL



EAST KENTUCKY NETWORK
POST OFFICE BOX 405
PRESTONSBURG, KY 41653
PHONE: (606)886-6007
(606)886-0206
L: INFO@EKN.COM
WEBSITE: EKN.COM



VIA: U.S. CERTIFIED MAIL

February 13, 2006

Carroll Smith, Judge/Executive Letcher County Court House 156 Main St. Suite 107 Whitesburg, KY 41858

606-633-2129

Dear Judge Smith:

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2006-00025)

East Kentucky Network, LLC d/b/a Appalachian Wireless has applied to the Public Service Commission of Kentucky for a Certificate of Public Convenience and Necessity to construct and operate a new facility to provide cellular telecommunications service. The facility will include a 265 foot self supported tower, with attached antennas extending upwards, and an equipment shelter to be situated on the North side of Potters Fork of Boone Fork, near Neon Junction, Letcher County, Kentucky. (37 °11' 08" N. Latitude, 82 42' 40.0 W. Longitude). A map showing the location of the proposed new facility is enclosed. This notice is being sent to you because you are the Judge Executive of Letcher County, Kentucky..

The Commission invites your comments regarding the proposed construction. You also have the right to intervene in this matter. The Commission must receive your initial communication within 20 days of the date of this letter as shown above.

Your comments and request for intervention should be addressed to: Executive Director's Office, Public Service Commission of Kentucky, P.O. Box 615, Frankfort, KY 40602. Please refer to Case No. 2006-00025 in your correspondence.

Sincerely,

Jánice Robinson

Technical Site Coordinator

d/b/a Appalachian Wireless P.O. Box 405 355 Village Drive Prestonsburg, KY 41653 Phone: 606/886-6007 Fax: 606/791-2225



## Fax

То:	The Mountain Eagle	From:	JANICE ROBINSON
Fax:	606-633-2843	Phone:	606-791-2375, Ext. 166
Phone:	606-633-2252	Pages:	1 Pages (INCLUDING COVER
Re:	PUBLIC NOTICE ADVERTISEMENT	CC:	

#### Nancy,

We would like to have the following public notice printed in The Mountain Eagle for the next two weeks. The notice should state the following:

### **PUBLIC NOTICE:**

RE: Public Service Commission of Kentucky (CASE NO. 2006-00025)

Notice is hereby given that East Kentucky Network, LLC, dba Appalachian Wireless has applied to the Kentucky Public Service Commission to construct a tower near Fleming-Neon in Letcher County. The proposed tower will be a 265-foot self-supporting tower.. The proposed tower site is situated on the North side of Potters Fork of Boone Fork, near Neon Junction, Letcher County, Kentucky. (37° 11' 08" N. Latitude, 82°42' 40.0 W. Longitude)

If you would like to respond to this notice, please contact the Executive Director, Public Service Commission, 211 Sower Boulevard, P O Box 615, Frankfort, Kentucky 40602. Please refer to Case No. 2006-00025.

If you have questions about the placement of the above mentioned notice, please call me at 606-791-2375, ext. 166.

Thank you.

Janice Rabinsan

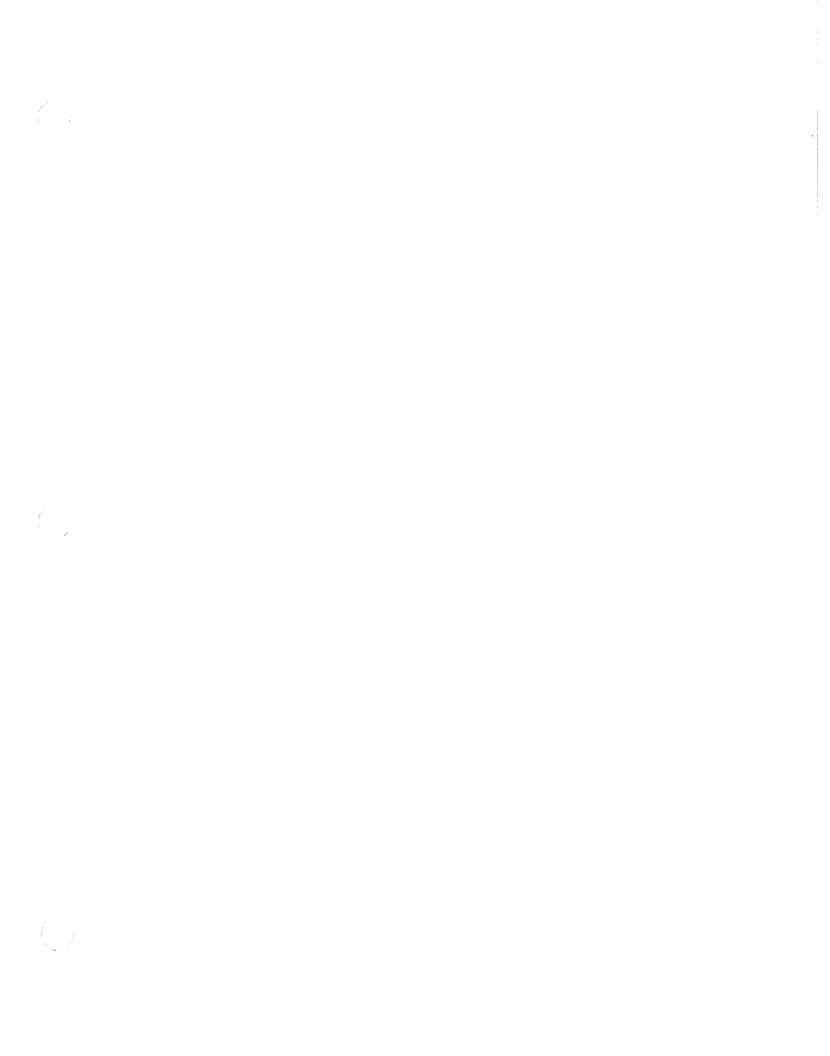
Accounting Department If you have any problems with this fax, please call 606/886-6007.

The message above and the information contained in the documents transmitted are confidential and intended only for the person(s) named above. Dissemination, distribution or copying of this communication by anyone other than the person(s) named above is prohibited. If you have received this communication in error, please notify us immediately by telephone and return the original message to us at the address listed above via regular mail. Thank you.

## TRANSMISSION VERIFICATION REPORT

TIME: 02/13/2005 10:44

DATE,TIME FAX NO./NAME DURATION PAGE(S) RESULT MODE 02/13 10:43 16066332843 00:00:40 01 OK STANDARD ECM



# NEON TOWER SITE (NEAR OR WITHIN 500 FEET)

Dennie Halbert Rt.1 box 136 A Jenkins, KY 41537

Hubert Gibson Gen. Del. Blackwood Norton, VA 24273

Danny White 4468 Dorton-Jenkins HWY Jenkins, KY 41537

> Guy Holbrook Heirs c/o Pat Hall Box 254 Neon, KY 41840



VIA: U.S. CERTIFIED MAIL

February 13, 2006

Hubert Gibson. Gen.Del. Blackwood Norton, VA 24273

RE: Public Notice-Public Service Commission of Kentucky (Case No. 2006-00025)

East Kentucky Network, LLC d/b/a Appalachian Wireless has applied to the Public Service Commission of Kentucky for a Certificate of Public Convenience and Necessity to construct and operate a new facility to provide cellular telecommunications service. The facility will include a 265 foot self supported tower, with attached antennas extending upwards, and an equipment shelter to be situated on the North side of Potters Fork of Boone Fork, near Neon Junction, Letcher County, Kentucky. 37 \*11'08" N. Latitude, 82 42' 40.0 W. Longitude). A map showing the location of the proposed new facility is enclosed. This notice is being sent to you because you own property or reside near or within a 500' radius of the proposed tower.

The Commission invites your comments regarding the proposed construction. You also have the right to intervene in this matter. The Commission must receive your initial communication within 20 days of the date of this letter as shown above.

Your comments and request for intervention should be addressed to: Executive Director's Office, Public Service Commission of Kentucky, P.O. Box 615, Frankfort, KY 40602. Please refer to Case No. 2006-00025 in your correspondence.

Sincerely,

Janice Robinson

Technical Site Coordinator

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EAST KENTUCKY NETWORK
POST OFFICE BOX 405
PRESTONSBURG, KY 41653
PHONE: (606)886-6007
506)886-0206
INFO@EKN.COM
WEBSITE: EKN.COM



VIA: U.S. CERTIFIED MAIL

February 13, 2006

Danny White 4468 Dorton-Jenkins HWY Jenkins, KY 41537

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Sincerely,

Janice Robinson

Technical Site Coordinator

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VIA: <u>U.S. CERTIFIED MAIL</u>

February 13, 2006

Dennie Halbert. Rt. 1, Box 136A Jenkins, KY 41537

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Guy Holbrook Heirs c/o Pat Hall Box 254 Neon, KY 41840

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Sincerely,

Zanice Robinson

Technical Site Coordinator

anice Relinson



#### **EXHIBIT 3**

February 13, 2006

Allstate Tower, Inc. P. O. Box 25 Henderson, KY 42419-0025

Appalachian Wireless P. O. Box 405 Prestonsburg, Kentucky 41653

RE: TOWER SITE GEOTECHNICAL DATA

Dear Sirs,

The present manner in which Allstate Tower, Inc gathers geotechnical information on all respective projects has, in our experience, proven to be a sufficient means of collecting data for tower foundation design. This information has historically consisted of a certified geotechnical report that includes site and soil analysis, complete recommendations, and copies of field boring logs.

If you should have any questions or comments pertaining to the content of this letter, or any other topic, please feel free to contact us.

Sincerely,

Brandon K. Austin, P.E.

## WENDELL R. HOLMES, P.G.

120 Church Street Apt. 3 Whitesburg, KY 41858 (606) 633-1511

November 20, 2005

**Neon Tower Site** 

### Purpose:

A site assessment was conducted for Appalachian Wireless on a tract of land located in Letcher County near Neon, Kentucky. The site of the proposed tower is now forestland. The purpose of this investigation was to determine the depth to bedrock and of what type of rock the bedrock consists.

### Site Investigation:

The trenching method was used to determine the type of bedrock material at the proposed tower site. A Caterpillar 312 Excavator was used to expose the bedrock material. It is approximately 0.50 feet to the sandstone bedrock. (See attached page for descriptions of materials encountered.)

The terrain in Letcher County is moderately to very steep. The tower site is located on a Ridge between Potter Fork and Yonts Fork of Boone Fork, both being tributaries of the North Fork of the Kentucky River, approximately one half mile south of Neon in Letcher County. The sandstone formation below the tower site is approximately 50.00 feet thick, based on the information obtained from the site investigation and geological maps of the area.

#### Conclusions:

The proposed tower site is located on a ridge in the area. The sandstone bedrock on the proposed tower site is part of the Breathitt Formation, and is middle to lower Pennsylvanian in age. Tests were not conducted to determine the load-bearing strength of the bedrock. However, it is apparent that the tower will be constructed on the sandstone bedrock formation.

The field work for this site was performed by Wendell R. Holmes, using generally accepted methods in the practice of geological science.

Wendell R. War and C. C. Santon C. S

## WENDELL R. HOLMES, P.G.

## 120 Church Street Apt. 3 Whitesburg, Ky. 41858

## **Geologist Log**

Location: Neon Tower Site

Unit Thickness	Total depth	Strata	Description
0.50'	0.50'	Soil	Yellow and Brown, with
20.00'	20.50'	Sandstone	Brown and Weathered
5.00'	25.50'	Sandstone w/ Shale	Brown and Gray
25.00'	55.50'	Sandstone	Brown and Gray
10.00'	65.50'	Sandy Shale	Brown and Gray

## LUKAS, NACE, GUTIERREZ & SACHS

IARTERED

1650 Tysons Boulevard, Suite 1500 McLean, Virginia 22102 703 584 8678 • 703 584 8696 FAX

WWW.FCCLAW.COM

RUSSELL D LUKAS\*
DAVID L. NACE
THOMAS GUTIERREZ\*
ELIZABETH R. SACHS\*
GEORGE L. LYON, JR
PAMELA L. GIST
DAVID A. LAFURIA
B. LYNN F. RATNAVALE\*
TODD SLAMOWITZ\*
STEVEN M. CHERNOFF\*

CONSULTING ENGINEERS
ALI KUZEHKANANI
LEROY A. ADAM
LEILA REZANAVAZ
SUMEET K. BHALOTIA

OF COUNSEL
JOHN J MGAVOY\*
J.K. HAGE III\*
LEONARD S KOLSKY\*
HON GERALD S. MCGOWAN\*
TAMARA DAVIS-BROWN\*

\*NOT ADMITTED IN VA

(202) 828-9489 TELECOPIER (202) 828-8405

January 31, 2006

#### Via Federal Express

Kentucky Airport Zoning Commission 200 Mero Street Frankfort, KY 40622

Attention: Mr. John Houlihan, Administrator

Dear John:

Forwarded herewith in accordance with KRS 183.990 and Chapter 50 of Title 602 of the Kentucky Administrative Regulations, is an "Application for Permit to Construct or Alter a Structure" (Form TC 56-50) for a communications support structure proposed near Fleming-Neon (Letcher Co.), KY. The site ("Neon") is located approximately 0.4 miles SSE of the town at geographic coordinates (NAD27) 37-11-08.0 N. Lat., 82-42-40.0 W. Lon.

A copy of the FAA flight safety determination will be provided to you upon its receipt.

Should you have any questions, please do not hesitate to call the undersigned.

Thank you for your consideration in this matter.

Sincerely,

Consulting Engineer

cc: East Kentucky Network, LLC

Attention: Gerald Robinette
Marty Thacker

Date

Printed Name and Title

Kentucky Transportation Cabinat, Kentucky Airport Zoning Commission, 200 Mero APPLICATION FOR PERMIT TO CONSTRUCT OR ALTER NSTRUCTIONS INCLUDED	
1 APPLICANT - Name. Address. Telephone. Fax. etc East Kentucky Network. LLC c/o Lukas. Nace. Gutlerrez & Sachs. Chtd 1650 Tysons Blvd, Sulte 1500 McLean, VA 22102 T:703-584-8678 F:703-584-8692	9 Latitude: 37 ° 11 08 0  10 Longitude: 82 42 40 0  11 Datum: F NAD83 F NAD27 F Other  12 Nearest Kentucky City: Fleming-Neor County Letcher
2 Representative of Applicant Name. Address. Telephone. Fax LeRoy A (Art) Adam Lukas, Nace, Gutierrez & Sachs, Chtd. 1650 Tysons Blvd, Suite 1500 McLean, VA 22102 T:703-584-8669 F:703-584-8692	13 Nearest Kantucky public use or Military airport:  Lonesome Pine Airport ("LNP")  14 Distance from #13 to Structure: 16.9 mi.  15 Direction from #13 to Structure: NW  16 Site Elevation (AMSL): 1.800.00 Fee
3 Application for: New Construction Patteration Pexisting 4 Duration: Permanent Perman	17 Total Structure Height (AGL): 265.00 Fee  18 Overall Height (#16 + #17) (AMSL): 2.065.00 Fee  19 Previous FAA and/or Kentucky Aeronautical Study Number(s): N/A  20 Description of Location: (Attach USGS 7 5 minute Quadrangle Map or an Airport layout Drawing with the precise site marked and any certified survey)  Site is 0.4 miles SSE of the town of Fleming-Neon (Letcher). KY

The tower to be constructed consists of a 250-foot high communications support structure plus a 15-foot top mounted appurtenance (antenna and/or lightning rod). The facility will be used for operation of a Band B cellular base station. The antenna is omni-directional (beamwidth = 360 degrees) with the maximum ERP at 200 Watts

Has a "NOTICE OF CONSTRUCTION OR ALTERATION" (FAA Form 7460-1) been filed with the Federal Aviation Administration?

Find Fiyes, When

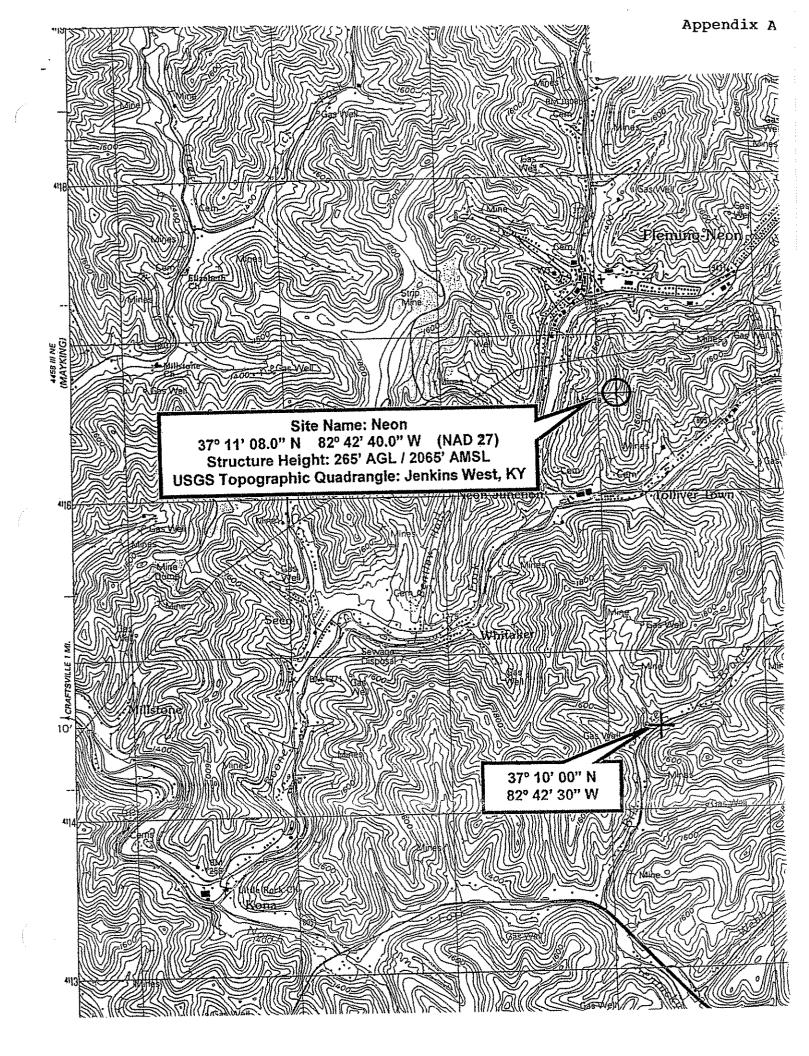
CERTIFICATION: I hereby certify that all the above statements made by me are true, complete and correct to the best of my knowledge and belief

LeRoy A. (Art) Adam

31 Jan 2006

PENALTIES: Persons failing to comply with Kentucky Revised Statutes (KRS 183.861 through 183.99D) and Kentucky Administrative Regulations (602 KAR 050:Series) are liable for fines and/or imprisonment as set forth in KRS 183.990(3). Non-compliance with Federal Aviation Administration Regulations may result in further penalties.

Commission Action:	Chairman. KAZC	[ ] Administrator, KAZC
T Approved		•
Disapproved		Date



Page 1 of 3

RUSSELL D. LUKAS\* CONSULTING ENGINEERS
DAVID L. NACE ALI KUZEHKANANI

THOMAS GUTIERREZ\*

ELIZABETH R. SACHS\*

GEORGE L. LYON, JR.

B. LYNN F RATNAVALE\*

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TODD BLAMOWITZ\*

ALI KUZEHKANANI LEROY A. ADAM

LEROY A. ADAM LEILA REZANAVAZ

SUMEET K. BHALOTIA

OF COUNSEL

John J. McAvoy\*

J.K. Hage III\*

Leonard S. Kolsky\*

Hon. Gerald S. McGowan\* Tamara Davis-Brown\*

\*NOT ADMITTED IN VA

(202) 828-9489 TELECOPIER (202) 828-8405

## LUKAS, NACE, GUTIERREZ & SACHS

ARTERED

1650 Tysons Boulevard, Suite 1500 McLean, Virginia 22102 703 584 8678 • 703 584 8696 Fax

WWW.FCCLAW.COM

January 31, 2006

#### Via U.S. Mail

EXPRESS PROCESSING CENTER
Federal Aviation Administration
Southwest Regional Office
Obstruction Evaluation Service, ASW-520
2601 Meacham Blvd.
Fort Worth, TX 76137-4298

Dear FAA Evaluator:

Enclosed is an FAA Form 7460-1 (Notice of Proposed Construction) for a 265' communications tower structure (250' tower plus 15' antenna/lightning rod) proposed near Fleming-Neon (Letcher County), Kentucky. The proposed site ("Neon") is located approximately 0.4 miles SSE of the town

The proponent, East Kentucky Network, LLC, is the licensee for Cellular Block B service in Kentucky RSA-10 (Powell), Market No. 452. Transmit frequencies to be used at this station are Cellular Band B (880-890 MHz); the maximum ERP will be 200 Watts

The transmitting systems proposed for this site will be installed and maintained such that transmitter spurious radiation in the frequency range of 118 MHz to 137 MHz shall be attenuated at least 71 dB below the unmodulated carrier level.

Geographic coordinates are based on North American Datum 27 (NAD27).

The proponent respectfully requests FAA permission to install dual obstruction lighting (red and medium intensity white) in lieu of other marking and lighting for the proposed tower.

Should you have any questions or require additional information, please do not hesitate to call the undersigned at the above identified telephone number.

Sincerely,

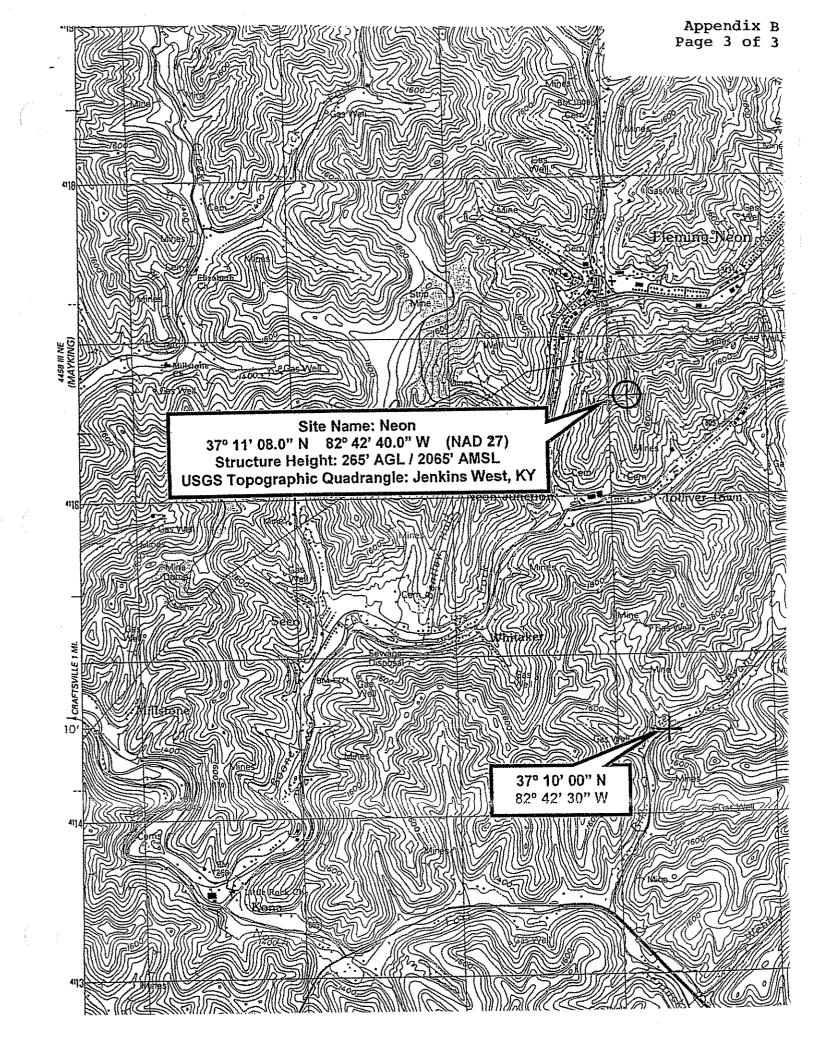
Consulting Engineer

Enclosure

East Kentucky Network, LLC

678-file/Neon/ FAA Ltr(01-30-2006).doc

lease Type or Print on This Form			***		FOR FAA	USE ONLY
	Provide All Requested Information					Study Number
V Summent of Transportation N	otice of Proposed Const	ruction or Altera	tion			
or (person, company, etc. prope	osing this action):	9. Latitude:	37 •	11 ·	08	0 "
Atin of LeRoy A. (Art) Adam			<u>82</u> •			
Name: East Kentucky Network, LLC		10. Longitude:			•	
Address: C/O Lukas, Nace, Gutierrez &	Sachs, Chtd.	11. Datum: NAD				
1650 Tysons Blvd., Suite 1500		12. Nearest: City:	· ·			
City: McLean State	: <u>VA</u> Zip: <u>22102</u>	13. Nearest Public-us Lonesome Pine	, ,		ort or Helipo	ort
Telephone:703-584-8669	Fax:703-584-8692	14. Distance from #13				
2. Sponsor's Representative (if other th	nan #1):	15. Direction from #1:				
Attn. of:		16. Site Elevation (AM			1	800 ft
Vame:		17. Total Structure He	•			265 n
Address:		18. Overall Height (#1	<del></del> -			2065 #
***************************************		19. Previous FAA Aer			applicable):	
City: State	e: Zip:	TBD		A comment for	, ,,,	-OE
Telephone:	Fax:	20. Description of Lo	antians /su_st	n 110007 =	usta Circada-	<del></del>
3. Notice of:  New Construction	☐ Alteration ☐ Existing	the pracise site marked ar Site is 0.4 miles S	id any certified su	rvey)		ngie wap with
4. Duration: Permanent To	emporary ( months days)			•		
5. Work Schedule: Beginning 03/24/2	2006 End 03/31/2006					
6. Type: Antenna Tower Cran						
'ing/Painting and/or Lighting F	Preferred:					
d Lights and Paint Du	al - Red and Medium Intensity White					
✓ vhite - Medium Intensity	ral - Red and high Intensity White ner					
8. FCC Antenna Structure Registration						
8. FOG Miterial Structure registration	arreaniser (ii appiloabio).					
21. Complete Description of Proposal:		1			Ernoung	cy/Power (kW)
The tower to be constructed is a comm 15-foot high antenna/lightning rod for o	nunication support structure which	consists of a 250-foot gu	yed support str	acture plus a	880-890	
(beamwidth 360°) with the maximum	ERP at 200 Watts	Station. The America is	omm-anection	1.1		0.200
( )					MHz	
					<u> </u>	
					-	_
					-	
					<b> </b>	
					<b> </b>	
					<b> </b>	
					<b> </b>	
Notice is required by 14 Code of	Federal Regulations, part 77 pursuant to	49 U.S.C., Section 44718 F	ersons who know	ingly and willing	y violate the	notice
requirements of part 77 a	are subject to a civil penalty of \$1.000 per	day until the notice is receive	ed, pursuant to 49	USC. Section	46301(a)	
I hereby certify that all of the above states structure in accordance with established	marking & lighting standards as neces	sary.	ny knowleage. I	·	es to mark	andor again are
Cate January 31, 2006	Typed or Printed Name and Title of Person Fills			Signature	1	1.
aminous? mar mana	LeRoy A. (Art) Adam, S	enior Engineer		LCA US	11.1.1	Toran



## Appendix C

Not Applicable

#### **ULS License**

# Cellular License - KNKN809 - East Kentucky Network, LLC d/b/a Appalachian Wireless

Call Sign

KNKN809

Radio Service

CL - Celtular

Status

Active

Auth Type

Regular

Market

Market

CMA452 - Kentucky 10 - Powell

Channel Block

Submarket

n

Phase

2

Dates

Grant

08/28/2001

Expiration

10/01/2011

Effective

08/17/2005

Cancellation

005 C

Five Year Buildout Date

10/17/1996

#### **Control Points**

1.

US Route 23, FLOYD, Harold, KY

P: (606)478-2355

Licensee

FRN

0001786607

Type

Limited Liability Company

Licensee

East Kentucky Network, LLC d/b/a Appalachian Wireless

PO Box 405

Prestonsburg, KY 41653

P:(606)886-6007

F:(606)886-0206

#### Contact

LUKAS, NACE, GUTIERREZ & SACHS, CHARTERED Pamela L Gist Esq

1650 Tysons Blvd., Sulte 1500

McLean, VA 22102

P:(703)584-8665 F:(703)584-8695 E:pglst@fcclaw.com

#### Ownership and Qualifications

Radio Service Type

Mobile

Regulatory Status Common Carrier

Interconnected

Yes

**Allen Ownership** 

The Applicant answered "No" to each of the Allen Ownership questions.

**Basic Qualifications** 

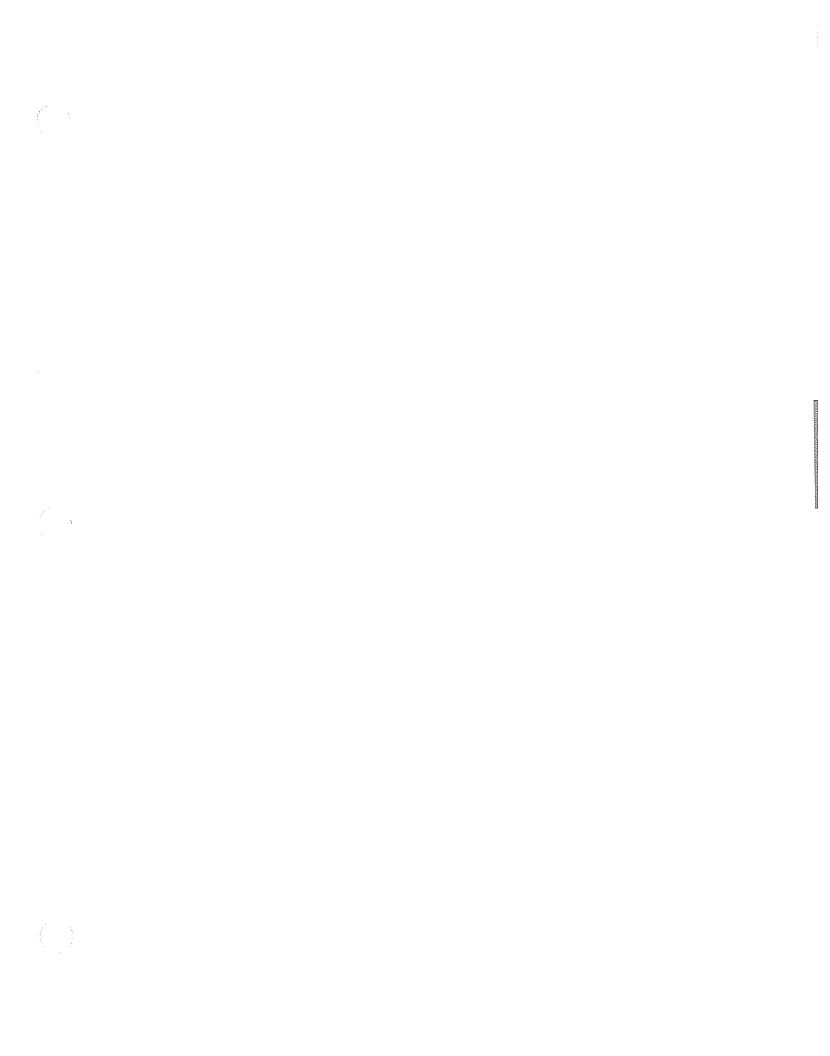
The Applicant answered "No" to each of the Basic Qualification questions.

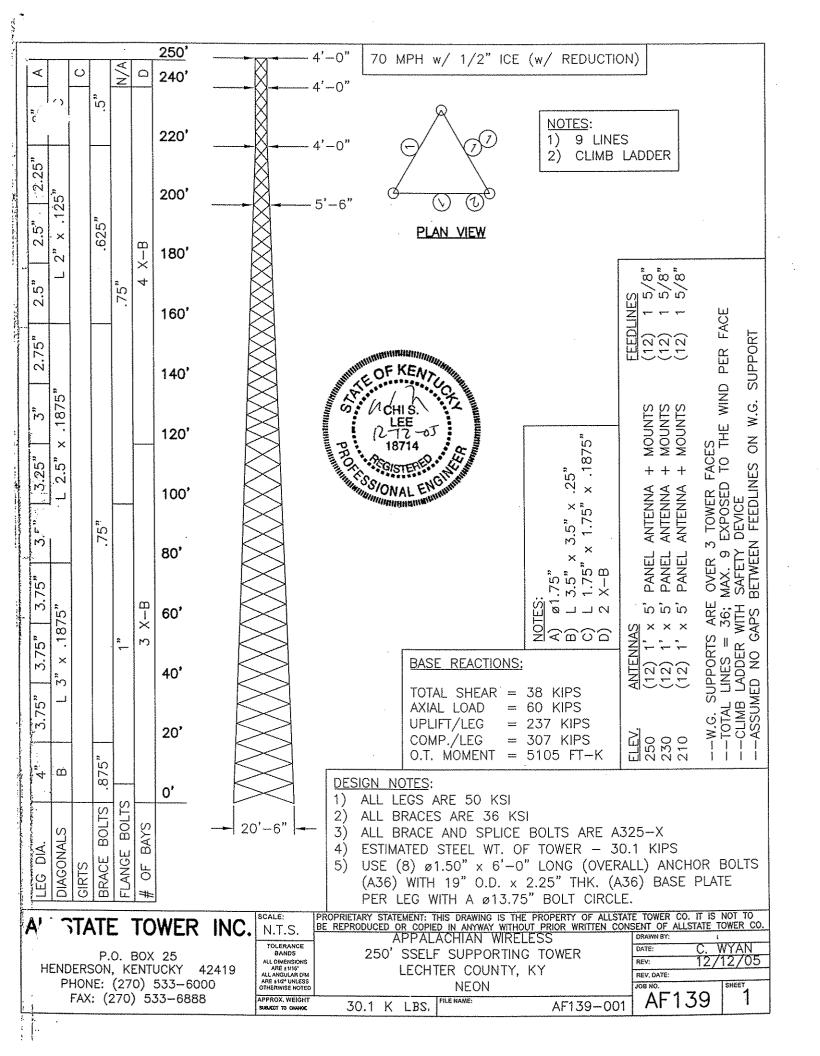
Demographics

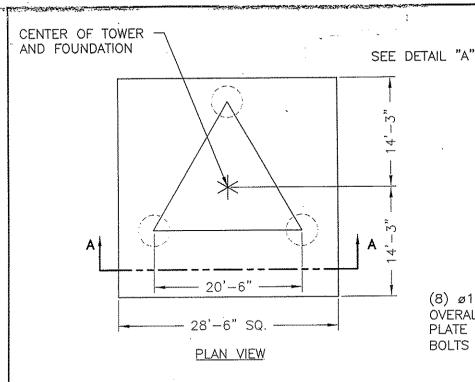
Race

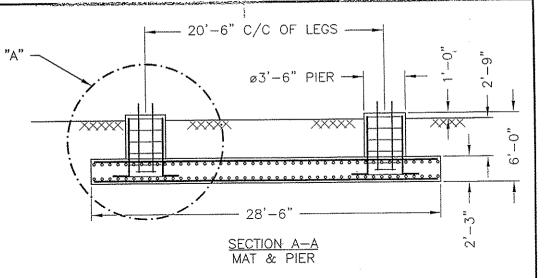
Ethnicity

Gender





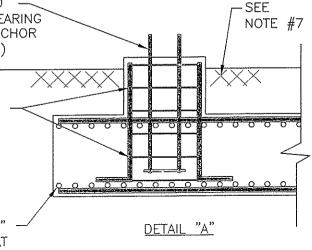




(8)  $\emptyset$ 1.50" ANCHOR BOLTS x 6'-0" — OVERALL LENGTH w/ 3/4" THK BEARING PLATE AT THE BOTTOM OF THE ANCHOR BOLTS (MIN. EMBED. LENGTH = 5')

(10) #8 V-BARS w/ #4 TIES AT 14" O.C.

(29) #8 HORIZONTAL BARS x 28'-0" - LONG EQUALLY SPACED EACH WAY AT TOP AND BOTTOM OF MAT. (TOTAL = 116)



NOTES:

- 1. TOTAL VOLUME OF CONCRETE IS 72 C.Y.
- 2. FOUNDATION DESIGNED PER BORING LOG BY WENDELL R. HOLMES P.G. OF WHITESBURG, KY DATED 11-20-05.
- 3. ASSUMED SANDSTONE IS DIGGABLE FOR 5' DEEP BELOW GRADE.
- 4. USE (8) ø1.50" A36 ANCHOR BOLTS ON AN ø13.75" BOLT CIRCLE.
- 5. REBARS PER ASTM A615 GR. 60
- 6. ULTIMATE CONCRETE COMPRESSIVE STRENGTH = 3000 PSI
- 7. MIN. COVER OF CONCRETE = 3"
- 8. COMPACT BACKFILL IN 8" LIFTS TO GROUND SURF
- 9. COMF. BACKFILL TO 90% TO 95% OF THE OPTIMUM DRY DENSITY PER ASTM D1557.



## ALLSTATE TOWER INC.

PO BOX 25 HENDERSON, KY 42419 PHONE: (270) 844-0003 FAX: (270) 844-0037

PROPRIETARY STATEMENT: THIS DRAWING IS THE PROPERTY OF ATI. IT IS NOT TO BE REPRODUCED OR COPIED IN ANYWAY WITHOUT PRIOR WRITTEN CONSENT OF ALLSTATE TOWER INC.

TOLERANCE BANDS ARE AS FOLLOWS-

ALL DIMENSIONS ARE ±1/16\* ALL ANGULAR DIM ARE ±1/2\* UNLESS OTHERWISE NOTED APPALACHIAN WIRELESS MAT AND PIER FOUNDATION 250' SS TOWER LECHTER COUNTY, KY.

SITE: NEON

DESIGNED BY: C. WYAN

DATE: 12/01/05

JOB NO. SHEET

SCALE: NOT TO SCALE

DWG NO.

\F, 59 1



## LUKAS, NACE, **GUTIERREZ & SACHS**

1650 TYSONS BOULEVARD, SUITE 1500 McLean, Virginia 22102 703 584 8678 • 703 584 8696 FAX

WWW.FCCLAW.COM

RUSSELL D. LUKAS\* DAVID L. NACE THOMAS GUTIERREZ\* ELIZABETH R. SACHS\* GEORGE L. LYON, JR. PAMELA L. GIST DAVID A. LAFURIA B. LYNN F. RATNAVALE\* TODD SLAMOWITZ\* STEVEN M CHERNOFF

CONSULTING ENGINEERS ALI KUZEHKANANI LEROY A. ADAM LEILA REZANAVAZ SUMEET K BHALOTIA

OF COUNSEL JOHN J. MCAVOY\* J.K. HAGE III\* LEONARD S. KOLSKY\* HON. GERALD S. MCGOWAN\* TAMARA DAVIS-BROWN\*

\*NOT ADMITTED IN VA

(202) 828-9489 TELECOPIER (202) 828-8405

January 31, 2006

#### Via U.S. Mail

**EXPRESS PROCESSING CENTER** Federal Aviation Administration Southwest Regional Office Obstruction Evaluation Service, ASW-520 2601 Meacham Blvd. Fort Worth, TX 76137-4298

Dear FAA Evaluator:

Enclosed is an FAA Form 7460-1 (Notice of Proposed Construction) for a 265' communications tower structure (250' tower plus 15' antenna/lightning rod) proposed near Fleming-Neon (Letcher County), Kentucky. The proposed site ("Neon") is located approximately 0.4 miles SSE of the town.

The proponent, East Kentucky Network, LLC, is the licensee for Cellular Block B service in Kentucky RSA-10 (Powell), Market No. 452. Transmit frequencies to be used at this station are Cellular Band B (880-890 MHz); the maximum ERP will be 200 Watts.

The transmitting systems proposed for this site will be installed and maintained such that transmitter spurious radiation in the frequency range of 118 MHz to 137 MHz shall be attenuated at least 71 dB below the unmodulated carrier level.

Geographic coordinates are based on North American Datum 27 (NAD27).

The proponent respectfully requests FAA permission to install dual obstruction lighting (red and medium intensity white) in lieu of other marking and lighting for the proposed tower

Should you have any questions or require additional information, please do not hesitate to call the undersigned at the above identified telephone number.

Sincerely.

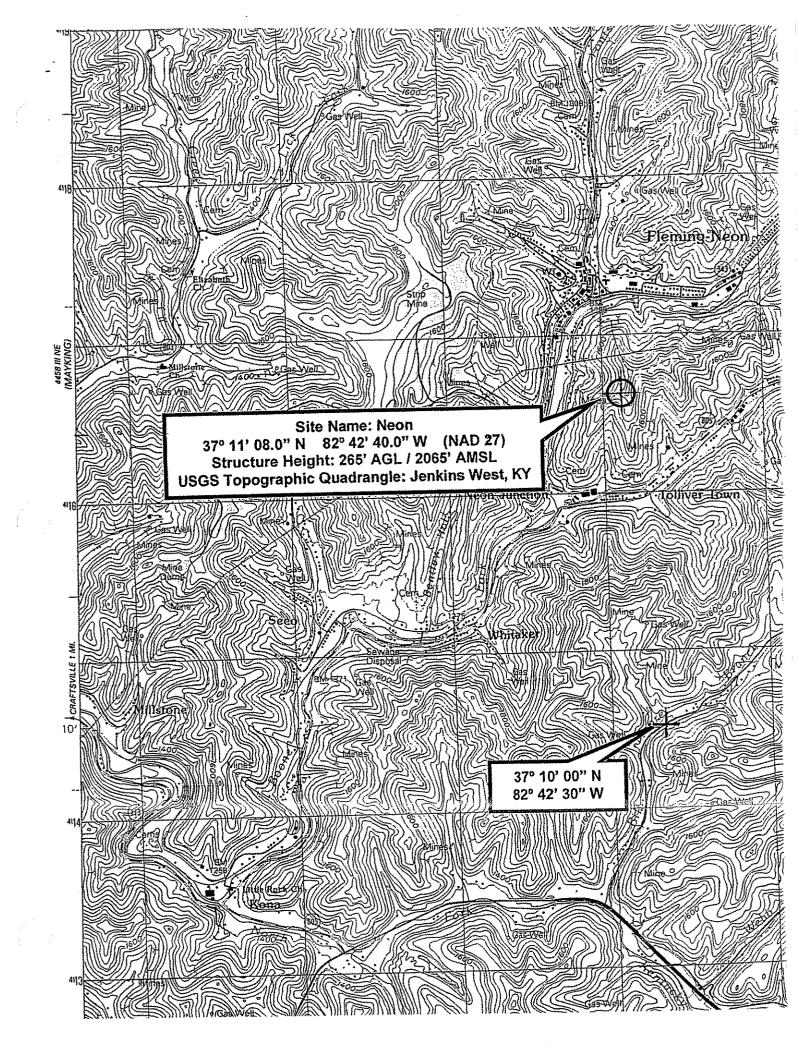
Consulting Engineer

Enclosure

East Kentucky Network, LLC

678-file/Neon/ FAA Ltr(01-30-2006) doc

Fallure To Provide All Requested Information May Delay Processing of Your Notice				FOR FAA USE ONLY		
Value Value	lice of Proposed Const			Autonautical Stud	ly Number	
tution Administration	•					
sor (person, company, etc proposition of LeRoy A. (Art) Adam	ng this action):	9. Latitude; <u>37</u> °	<u> 11</u> ·	08 0	\$I	
Attn. of Lekoy A. (Art) Adam  Name: East Kentucky Network, LLC		10. Longitude: 82 °	<u>42</u> ·	<u>40</u> , <u>0</u>	tı	
Name: <u>Last (Contact) Protecting 200</u> Address: <u>C/O Lukas, Nace, Gutierrez &amp; Sa</u>		11: Datum: NAD 83 K NAD	27 Othe	F		
	iciis, Ciiid.	12. Nearest: City:Fleming-Neo		State	KY	
	VA 7io: 22102	13. Nearest Public-use (not private-us				
Telephone:703-584-8669 Fa		Lonesome Pine Airport ("L)	<u>VP")</u>	<u> </u>		
relephone.///>/////////////////////////////////	··· (9,2-2,0-1-0974	14. Distance from #13. to Structure:	16.9 mi.		***************************************	
2. Sponsor's Representative (if other than	1#1):	15: Direction from #13. to Structure:	VW_			
Attn. of:		16. Site Elevation (AMSL):		180	<u>0</u> n	
Name:		17. Total Structure Height (AGL):		26		
Address:		18. Overall Height (#16 + #17) (AMSL)	:	206	<u>5</u>	
		19. Previous FAA Aeronautical Stu	dy Number (if	applicable):		
City: State:	Zip:	TBD			OE	
Telephone: Fa	3X:	20. Description of Location: (Attack		nute Quadrangle	Map with	
3. Notice of:  New Construction	Alteration Existing	the precise site marked and any certified so Site is 0.4 miles SSE of Fleming	urvey) -Neon (Letche	a), KY		
	porary ( months days)	The second second of a second		· yy += f '		
5. Work Schedule: Beginning 03/24/200	, ,					
6. Type: Antenna Tower Crane	Building Power Line					
Landfill Water Tank O						
king/Painting and/or Lighting Prei	ferred:					
ed Lights and Paint Dual -	Red and Medium Intensity White					
white - Medium Intensity Dual - White - High Intensity Other	Red and high Intensity White					
8. FCC Antenna Structure Registration I	Number (if applicable):					
6. FOO Milletinia Structure Registration	tumber (n appheame).					
21. Complete Description of Proposal:				I	Tarras (IdAA	
The tower to be constructed is a commun	ication support structure which o	consists of a 250-foot guyed support str	ucture plus a	Frequency/F		
15-foot high antenna/lightning rod for ope (beamwidth 360°) with the maximum EF	ration of a Band B Centiar base. RP at 200 Watts.	station. The Antenna is omni-direction	Bi.	880-890	0.200	
,				MHz		
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					<u> </u>	
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				<b>-</b>		
	,					
					<b> </b>	
Notice is required by 14 Code of Fed	eral Regulations, part 77 pursuant to 4	19 U.S.C., Section 44718 Persons who know day until the notice is received, pursuant to 49	ringly and willing	ly violate the not 46301(a)	ice	
I hereby certify that all of the above statemen structure in accordance with established mai	its made by me are true, complete,	and correct to the best of my knowledge.	····		Vor light the	
	rking & righting Standards as neces red or Printed Name and Title of Person Filin		Signature	1 1		
January 31, 2006	LeRoy A. (Arr) Adam, S	•	Tekon	A.A.	dam	





FINANCIAL REPORT

\_.December 31, 2004



#### INDEPENDENT AUDITOR'S REPORT

To the Members
East Kentucky Network, LLC
dba Appalachian Wireless
Prestonsburg, Kentucky 41653

We have audited the accompanying balance sheets of East Kentucky Network, LLC, dba Appalachian Wireless as of December 31, 2004 and 2003 and the related statements of income, members' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of East Kentucky Network, LLC, dba Appalachian Wireless as of December 31, 2004 and 2003 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Jones. Male : Mattingly Pic

Louisville, Kentucky February 18, 2005

42 South Fourth Avenue, Suite 300 ouisville, Kentucky 40202-9975 502) 583-0248 • FAX (502) 589-1680

# BALANCE SHEETS December 31, 2004 and 2003

ASSETS			2004		2003
CURRENT ASSETS					
		\$	2,115,534	\$	2,781,0
Cash and cash equivalents	•	Ψ	100,000	•	2,617,4
Short-term investments			100,000		2,017,0
Accounts receivable, less allowance for doubtful accounts of \$378,680 in 2004 and \$280,280 in 2003			1,481,900		1,205,5
Accounts receivable, members (Notes 6 and 7)			54,397		77,
Inventory			826,636		419,
Prepaid expenses		•	148,558		107,3
Total current assets		\$	4,727,025	\$	7,208,
Total Carrent asses					
	h.				
PROPERTY DI ANITANIDI POLITINATINI Alete ()		,			
PROPERTY, PLANT AND EQUIPMENT (Note 4)			:		
Plant in service:			7,536,872	· <b>\$</b>	7,021,
General support					6,265,
MTSO equipment			10,925,458	Walle	
Cell equipment			31,817,505		25,509,
Paging equipment			.3,309,174		3,300,
Fiber ring			4,484,626	i.	3,987,
Unfinished plant	reformania Normania		1,708,762		1,520.
		\$	59,782,397	. \$	47,605,
Less accumulated depreciation			23,457,869		19,301.
Less accumulated depression		\$	36,324,528	\$	28,303
	•				
					1
ACTION ACCIONS					
OTHER ASSETS		- \$	873,368	. \$	867
Investment in affiliated company, RTFC (Note 4)		Ψ	075,500	•	• • • • • • • • • • • • • • • • • • • •
Intangible assets, net of accumulated amortization			1 762 678		5,159
of \$1,741,672 in 2004 and \$1,301,347 in 2003 (Note 2)	٠.		4,762,678		787
Goodwill		•	787,286		3(
Other			29,788		
			6,453,120		6.84:
		_\$	47,504,673		42,35

LIABILITIES AND MEMBERS' EQUITY	2004	2003
CURRENT LIABILITIES  Notes payable (Note 3)  Current maturities of long-term debt (Note 4)  Accounts payable  Accounts payable, member (Notes 6 and 7)  Accrued expenses  Customer deposits  Total current liabilities	\$ 400,000 847,380 1,142,766 604 1,174,425 152,350 \$ 3,717,525	\$ 2,200,000 798,055 662,323 6,178 780,509 164,192 \$ 4,611,257
LONG-TERM DEBT, less current maturities (Note 4)	9,880,604	7,408,929
MEMBERS' EQUITY	33,906,544	30,338,641

\$ 47,504.673 \$ 42,358,827

# STATEMENTS OF INCOME Years Ended December 31, 2004 and 2003

		2004	2003
REVENUE			
Retail		\$ 18,777,436	\$ 16,436,390
Roamer		4,693, <b>531</b>	3,784,721
Long distance	•	168,585	178,971
Paging	•	1,282,952	1,606,370
Equipment sales, cellular		1,571,027	1,365,233
Equipment sales, paging	•	79,573	87,928
Other		2,308,826	1,908,727
Total revenue	•	\$ 28,881,930	\$ 25,368,340
Your Totalia			
EXPENSES		. '	
Cost of cellular service		\$ 7,155,982	\$ 7,019,191
Cost of paging service		589,260	<b>629,9</b> 04
Cost of equipment sales, cellular	$\mu \star = I$	3,202,000	2,256,150
Cost of equipment sales, paging		101,331	140,398
Customer service		1,004,290	950,566
Billing		1,100,361	1,016,679
Selling	그 살아왔습니다. 얼굴없다.	1,598,369	1,337,980
Maintenance		873,613	705,705
Utilities		306,593	303,426
Bad debts		698,471	937,244
Cell site rental	•	120,866	127,313
Taxes		243,180	241,575
Advertising	·	688,001	470,732
General and administrative	•	1,868,518	1,473,026
Occupancy		452,041	253,738
Depreciation		4,084,043	3,481,218
Amortization		507,010	609,215
Total expenses		\$ 24,593,929	\$ 21,954,060
Income from operations		\$ 4,288,001	<u>\$ 3,414,280</u>
			3
w.	•	,	·
OTHER INCOME (EXPENSE)		6 00.556	\$ 38,725
Interest income		\$ 29,556	
Interest expense	·	(574,654)	(591,177)
		<u>\$ (545,098)</u>	\$ (552,452)
Net income		<u>\$ 3.742.903</u>	<u>s</u> 2.861,828

# STATEMENTS OF MEMBERS' EQUITY Years Ended December 31, 2004 and 2003

					Peoples Rural Telephone	
	Cellular Services,	Gearhart Communi- cations Company,	Mountain Tele- communi- cations,	Thacker- Grigsby Telephone	Coop- erative Corp- oration,	
-	Inc.	Inc.	Inc.	Co., Inc.	Inc.	Total
Balance, January 1, 2003	\$ 4,995,363	\$ 4,995,362	\$ 4,995,362	\$ 4,995,363 .	\$ 4,995,363	\$24,976,813
Net income	572,366	572,366	572,366	572,365	572,365	2,861,828
Capital contributions	500,000	500,000	500,000	500,000	500,000	2,500,000
Balance, December 31, 2003	\$ 6,067,729	\$ 6,067,728	\$ 6,067,728	\$ 6,067,728	\$ 6,067,728	\$30,338,641
Net income	748,580	748,581	748,581	748,581	748,580	3,742,903
Capital distributions	(35,000)	(35,000)	(35,000)	<u>(35,000)</u>	(35,000)	(175,000)
Balance, December 31, 2004	<b>\$</b> 6.781.309	\$ 6,781,309	\$ 6,781,309	<b>\$ 6,781,309</b>	\$ 6,781,308	\$33.906,544

## STATEMENTS OF CASH FLOWS Years Ended December 31, 2004 and 2003

		2004		2003
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	\$	3,742,903	\$	2,861,828
Adjustments to reconcile net income to net cash provided		•		
by operating activities:				
Depreciation		4,084,043		3,481,218
Amortization		507,010		609,215
Changes in assets and liabilities, net of the effects				•
of investing and financing activities:				
(Increase) decrease in accounts receivable	-	(276,339)		261,472
(Increase) decrease in accounts receivable, members		23,313		(77,710)
(Increase) decrease in inventory		(406,781)		437,460
(Increase) in prepaid expenses		(41,233)		(20,127)
Decrease in other assets		1,121		1,119
Increase in accounts payable		480,443		22,942
(Decrease) in accounts payable, member		(5,574)		(45,077)
Increase in accrued expenses		393,916		107,040
Increase (decrease) in customer deposits		(11,842)		47,660
Net cash provided by operating activities	\$	8,490,980	. \$	7,687,040
			į	
H FLOWS FROM INVESTING ACTIVITIES	in the second	(12.014.224)		(4.022.201)
Purchase of property, plant and equipment	∴⊅ (	(12,214,324)	, i 🍑	(4,933,301)
Proceeds from sale of short-term investments		2,517,468		(2 517 400)
Purchase of short-term investments		(5 (10)		(2,517,468)
Purchase of RTFC equity certificates	-	(5,619)	•	(3,352)
Net cash (used in) investing activities	_2	(9,702,475)	3	(7,454,121)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from capital contributions	\$		\$	2,500,000
Capital distributions	Ψ	(175,000)	Ψ	2,50,0,00
Net borrowings (payments) on notes payable		1,500,000		(500,000)
Payments on long-term-borrowings		(779,000)		(728,750)
Net cash provided by financing activities	\$	546,000	-\$	1,271,250
z. z. z.				· · · ·
Net increase (decrease) in cash and cash equivalents	\$	(665,495)	\$	1,504,169
		• • •		•
Cash and cash equivalents:				
Beginning		2,781,029	<u></u>	1,276,860
			_	
Ending	\$	2,115,534		2.781.029
CURRED TO CENTE A DISCULOURE OF CLOUDE OF THE PROPERTY OF THE				,
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION	\$	619,257	\$	531,577
Cash payments for interest	Þ	017,237	. ৩	JJ 1 J J I I

The Notes to Financial Statements are an integral part of these statements.

# NOTES TO FINANCIAL STATEMENTS

#### Note 1. Summary of Significant Accounting Policies

#### Nature of operations

East Kentucky Network, LLC, dba Appalachian Wireless, is a Kentucky limited liability company formed by the merger of Appalachian Cellular, LLC, Mountaineer Cellular, LLC and East Kentucky Network, LLC on January 1, 2000. The Company is engaged in cellular telephone communications and paging services to residential and commercial customers located in eastern Kentucky. The Company's five members consist of Cellular Services, Inc.; Gearheart Communications Company, Inc.; Mountain Telecommunications, Inc.; Peoples Rural Telephone Cooperative Corporation, Inc.; and Thacker-Grigsby Telephone Co., Inc.

#### Cash

The Company maintains its cash balances, which exceed the \$100,000 federally insured limit, with several financial institutions. These financial institutions have strong credit ratings and management believes that credit risk related to the accounts is minimal.

#### Cash equivalents

For purposes of the statement of cash flows, the Company considers temporary investments having a maturity of three months or less to be cash equivalents.

#### Short-term investments

Certificates of deposit having original maturities between three and nine months are classified as short-term investments, are carried at cost, which approximates fair value, and are held to maturity.

#### Inventory

Inventory is composed of cellular telephone equipment, paging equipment, and accessories purchased for resale during the ordinary course of business. The inventory is valued at the lower of cost or market, cost being determined by the first-in, first-out (FIFO) method.

#### Property, plant and equipment

Property, plant and equipment are recorded at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

#### Investment

The investment in affiliated company is composed of equity certificates in Rural Telephone Finance Cooperative and is reported at cost, which approximates fair value.

# Note 1. Summary of Significant Accounting Policies (Continued)

## Intangible assets

The customer lists, non-compete agreements, FCC licenses, and use of name are recorded at cost and are being amortized over 15 years by the straight-line method. The excess cost over the fair value of the net assets acquired (goodwill) related to paging acquisitions is measured for impairment on an annual basis, and written down, if necessary, to its estimated value at that time.

#### Recognition of revenue

Cellular service and paging revenues are recognized when earned. Monthly access and feature charges are billed one month in advance and recognized as revenue the following month. Revenue from telephone and accessories sold are recognized as revenue upon delivery to the customer.

#### Advertising

Advertising costs are expensed as incurred. At December 31, 2004 and 2003, these costs were \$688,001 and \$470,732, respectively.

#### Income taxes

Under existing provisions of the Internal Revenue Code, the income or loss of a limited liability company is recognized by the members for income tax purposes. Accordingly, no provision for income tax has been provided for in the accompanying financial statements.

#### Use of estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses.

#### Reclassification

Certain amounts presented in the prior year have been restated to conform with the current year presentation.

## Note 2. Intangible Assets

Intangible assets consist of the following at December 31, 2004:

	Gross Amount	Accumulated Amortization
	:	
Customer lists	\$ 5,363,530	\$ (1,438,317)
Non-compete agreements	220,348	(92,218)
FCC licenses	841,593	(198,350)
Use of name	10,000	(3,001)
Other	68,879	(9,786)
	\$ 6,504,350	\$ (1,741,672)

Intangible assets consist of the following at December 31, 2003:

	· · · · · · · · · · · · · · · · · · ·	Gross Amount	Accumulated Amortization
Customer lists		\$ 5,363,530	\$ (1,080,021)
Non-compete agreements		220,348	(77,498)
FCC licenses		841,593	(132,073)
Use of name		10,000	(2,333)
Other		25,839	(9,422)
		\$ 6,461,310	\$ (1,301,347)
			·

Aggregate amortization expense related to these intangible assets for the years ended December 31, 2004 and 2003 totaled \$440,325 and \$547,652, respectively. The following represents the total estimated amortization of intangible assets for each of the succeeding five years:

# Year ending December 31:

2005			\$	500,000
2006				500,000
2007		•		500,000
2008	,			500,000
2009	•	•.	•	500,000
<b>,</b> • • • •				

5 5 88Q604

#### Note 3. Notes Payable

Notes payable consist of the following:

December 31,		
	2004	2003
\$		\$ 1,800,000
	400,000	400,000
\$	400,000	\$ 2,200,000
	\$ 	\$ 400,000

- (a) The Company has a line of credit agreement with Rural Telephone Finance Cooperative (RTFC) that provides for borrowings up to \$5,000,000. The outstanding balance at December 31, 2004 and 2003 was \$3,300,000 and \$1,800,000, respectively. The agreement carries an interest rate at prime, plus one and one-half percent, is unsecured and was renewed June 28, 2004 for 24 months. Accordingly, the note is presented in the financial statements as long-term debt at December 31, 2004 (see Note 4).
- (b) The Company issued two promissory notes in connection with the acquisition of certain paging assets. Both notes were due in one year with interest at a rate of 4%. The remaining note with a balance of \$400,000 is currently due, but the Company is negotiating the amount based upon the purchased customer lists.

## Note 4. Long-Term Debt

Long-term debt as of December 31, 2004 and 2003 consists of the following:

		I	Decen	iber 31, 200	4	
		Balance	. (	Current	L	ng-Term
Notes payable, RTFC:				•	•	4.
Dated 11/13/97, variable rate						
(6.15% at 12/31/04)	\$	218,285	\$	22,714	\$	195,571
Dated 11/13/97, variable rate						
(6.15% at 12/31/04)		999,575		104,012		895,563
Dated 11/13/97, fixed rate						* **
(7.20% at 12/31/04)		813,493		81,476		732,017
Dated 12/31/98, fixed rate					,	
(7.25% at 12/31/04)		677,532		55,516		622,016
Dated 02/13/01, variable rate						
(5.85% at 12/31/04)		861,959		£0,750		781,209
Dated 02/13/01, variable rate						
(5.85% at 12/31/04)		1,011,829		94,791		917,038
Dated 07/27/01, variable rate					· .	
(5.85% at 12/31/04)		2,845,311		408,121		2,437,190
Line of credit, variable rate						
(6.40% at 12/31/04)	-	3,300,000			- C -	3,300,000
	\$1	0,727,984	<u>    \$                                </u>	<u>847,380</u> 🔅	<u> </u>	9,880,604

Note 4. Long-Term Debt (Continued)

	Ī	December 31, 2003			
	Balance	Current	Long-Term		
Notes payable, RTFC:					
Dated 11/13/97, variable rate					
(4.40% at 12/31/03)	\$ 240,199	\$ .20,054	\$ 220,145		
Dated 11/13/97, variable rate		•			
(4.40% at 12/31/03)	1,093,351	95,994	997,357		
Dated 11/13/97, fixed rate					
(7.20% at 12/31/03)	893,978	73,946	820,032		
Dated 12/31/98, fixed rate		, ,			
(7.25% at 12/31/03)	733,212	52,230	680,982		
Dated 02/13/01, variable rate					
(4.20% at 12/31/03)	932,054	76,974	855,080		
Dated 02/13/01, variable rate					
(4.20% at 12/31/03)	1,094,112	90,358	1,003,754		
Dated 07/27/01, variable rate					
(4.20% at 12/31/03)	3,220,078	388,499	2,831,579		
	\$ 8,206,984	\$ 798,055	\$ 7,408,929		

The notes payable to Rural Telephone Finance Cooperative (RTFC) are secured by mortgage and security agreements that include substantially all of the assets of the Company. In addition, the Company is required to purchase equity certificates in RTFC equal to 5% of the total amounts borrowed. The notes are payable in quarterly installments over 15 years with interest at variable or fixed rates set by RTFC.

The line of credit agreement with RTFC provides for borrowings up to \$5,000,000. The agreement carries an interest rate at prime, plus one and one-half percent, is unsecured and was renewed June 28, 2004 for 24 months. Accordingly, the note is presented in the financial statements as long-term debt at December 31, 2004 (see Note 3).

Approximate maturities or payments required on principal under note payable agreements for each of the succeeding five years are as follows:

#### Year ending December 31:

2005	\$ 847,380
2006	4,200,418
2007	956,799
2008	1,016,735
2009	1,080,451

#### Note 5. Retirement Plans

The Company has a 401(k) plan for qualifying employees who have reached twenty-one years of age. Eligible employees are allowed to invest up to 15% of their compensation and the Company has agreed to match 100% of the first 3% of the employees' contribution and 50% of the employees' contribution between 3% and 5%. The Company contributed \$58,929 and \$59,472 matching funds for its 401(k) plan during the years ended December 31, 2004 and 2003, respectively.

The Company also offers an employer sponsored retirement savings plan for qualified employees who have reached twenty-one years of age. The Company has agreed to contribute 9% of the eligible employee's compensation, plus an additional 5% of the original contribution. The Company contributed \$214,464 and \$205,832 to its retirement savings plan during the years ended December 31, 2004 and 2003, respectively.

#### Note 6. Related Party Transactions

The Company shares personnel with one of its members. The Company paid \$111,438 and \$126,331 for shared personnel during the years ended December 31, 2004 and 2003 respectively. The Company also leased offices and warehouse space from two members. The cleases are for an unspecified length of time. The monthly lease payments total approximately \$7,000. In addition, the Company incurred interconnection charges from its members aggregating \$812,794 and \$765,004 for the years ended December 31, 2004 and 2003, respectively.

The Company leases two cellular tower sites from the officers and majority shareholders of a member for \$100 per month for each site. The leases are for an unspecified length of time. In addition, the Company leases two other sites from a company owned by this member for \$600 each on a month to month basis.

The Company leases cellular tower sites from the parent company of one of its other members for \$1,039 per month. The leases are for five years with options to renew.

#### Note 7. Operating Leases

The Company has entered into operating leases with its members and other customers to provide fiber optic transmission capacity and ancillary services. The terms of these leases are for 15 years.

\$ 3.

Total rental income earned from these operating lease commitments included in the statements of income were \$1,442,016 and \$1,157,527 for the years ended December 31, 2004 and 2003, respectively. Rental income earned from the Company's members from these leases was \$1,132,545 and \$858,714 for the years ended December 32, 2004 and 2003, respectively.

### Note 7. Operating Leases (Continued)

Investments in operating leases are as follows at December 31:

	2004	2003
Fiber ring	4,484,626	3,987,697
Accumulated depreciation	(563,677)	(355,090)
	\$ 3,920,949	\$ 3,632,607

The future minimum rental payments expected to be received under these lease agreements for each of the succeeding five years are approximately \$700,000 each year based upon new contracts negotiated during 2005.

The Company has also entered into lease agreements with its members to obtain fiber optic transmission and digital microwave transmission services. The terms of these leases are for 15 years.

Rental expenses incurred under these operating lease commitments included in the statements of income were \$54,420 and \$247,095 for the years ended December 31, 2004 and 2003, arrespectively.

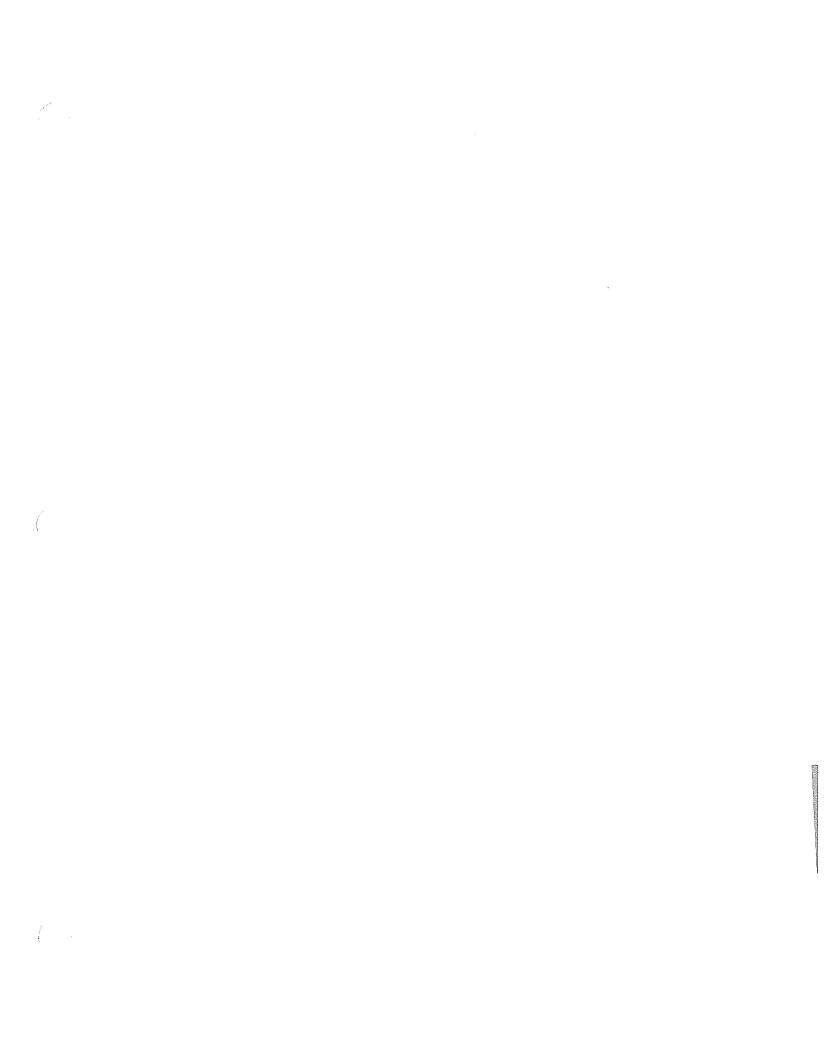
The future minimum lease payments required under these lease agreements for each of the succeeding five years are \$115,734 each year.



# Directions to Neon Tower Site

Starting from the courthouse in Whitesburg Kentucky. Take North Hwy 15 business for .8 miles. At .8 miles Hwy 15 business and Hwy 15 intersect turn left onto Hwy 15 North and continue for 2.2 miles. At 2.2 miles Hwy 15 turns into US 119 at Pine Mountain Jct. continue on US 119 for 5.7 miles. At 5.7 miles US 119 intersects with 805. Turn left (east) onto 805 and continue on for 3.2 miles to IGA store on your left at the end of the parking lot their will be a new gravel road turning up the hill continue up the hill .5 miles up the hill road ends at tower site.

Directions were written by Marty Thacker Appalachian Wireless 606-634-9505 cell 606-438-2355 Work Ext 111 m.thacker@tgtel.com



#### DEED OF CONVEYANCE

THIS DEED OF CONVEYANCE, entered into this 20 th day of July , 2005,
between Larry Whitaker and Juanita Whitaker, his wife, of Whitesburg,
, Kentucky, GRANTORS, and East Kentucky Network, LLC, d/b/a
Appalachian Wireless, P.O. Box 405, Prestonsburg, Kentucky, GRANTEE.

#### WITNESSETH:

That said Grantors for and in consideration of the sum of Fifteen Thousand Dollars (\$15,000.00), cash in hand paid, the receipt and sufficiency of which is hereby acknowledged, do hereby grant, sell and convey to the Grantee, its successors and assigns, the following described property, to-wit:



BEING a part of the same property conveyed from Joseph Rowlett and Dorothy Rowlett, his wife, to Larry Whitaker and Juanita Whitaker, his wife, dated March 5, 1997, recorded in Deed Book 330, Page 413, Letcher County Clerk's Office.

BEING the same property described by metes and bounds in the description attached hereto and made a part hereof as Exhibit "A", and as shown on the plat dated the 30<sup>th</sup> day of June, 2005, prepared by Richard G. Brown, PLS, Licensed Land Surveyor, and attached hereto and made a part hereof as Exhibit "B."

Grantors grant and convey unto Grantee, its successors or assigns, a permanent easement and right of way for a roadway of sufficient width for ingress and egress with men, vehicles, equipment and machinery over and across Grantors' retained surface property to the tract or parcel of land granted and conveyed herein to Grantee, its successors and assigns together with the right to reconstruct or use any existing roadways over Grantors' retained surface for such purposes. Any roadway thus constructed shall follow the route of the existing road into the gap near the above described property.

Grantors grant and convey unto Grantee, its successors or assigns, an easement and

right of way to construct and maintain any and all power lines, telephone lines, co-axial lines or any other utilities or related facilities needed and/or necessary for use by Grantee, its successors or assigns, over and across Grantors' retained surface property to the tract or parcel of land granted and conveyed herein to Grantee, its successor and assigns.

Grantors further grant and convey unto Grantee, its successors and assigns, the right to remove any trees, tree limbs, undergrowth or obstructions upon Grantors' retained surface property that might interfere with or damage any towers or structures that Grantee, its successors or assigns, may place upon the above described tract of land, or with the easements and rights of way granted herein. Any trees cut hereunder that are marketable timber quality will be saved for Grantors.

TO HAVE AND TO HOLD the same with all appurtenances thereunto belonging unto the Grantee, its successors and assigns forever, with covenant of General Warranty.

We, the undersigned, do hereby certify and swear pursuant to KRS Chapter 382, that the full and complete consideration paid for the transfer of the hereinabove described property was Fifteen Thousand Dollars (\$15,000.00).

IN TESTIMONY WHEREOF, the Grantors and Grantee have hereunto subscribed their names, the day and year aforesaid.

GRANTORS:

arry Whitaker

Juanita Whitaker

## **GRANTEE:**

EAST KENTUCKY NETWORK, LLC d/b/a APPALACHIAN WIRELESS

BY: Levall F. Rolinetto
ITS: GENERAL MANAGER
STATE OF KENTUCKY
COUNTY OF Letcher
I, Devus Shepher , a Notary Public in and for the County and State aforesaid, do hereby certify that the foregoing Deed of Conveyance and Consideration Certificate was this day produced, acknowledged, subscribed and sworn before me in the said County and State and signed by Larry Whitaker and Juanita Whitaker, his wife, Grantors, this flay of July , 2005.  NOTARY PUBLIC Commission Expires: Add 2009
STATE OF KENTUCKY COUNTY OF Floy
I, Dennis Shepherd, a Notary Public in and for the county and state aforesaid, do hereby certify that the foregoing Deed of Conveyance and Consideration Certificate was this day produced, acknowledged, subscribe and sworn to before me in said County and State and signed by East Kentucky Network, LLC, d/b/a Appalachian Wireless, by Gerald Mediuelle, its General Manager, this 1574 day of July, 2005.    Dennis African Notary Public Commission Expires: Oct 22-2005
This is to certify that this

WILLIAM S. KENDRICK, ATTORNEY FRANCIS, KENDRICK & FRANCIS P.O. Box 268 Prestonsburg, Kentucky 41653

instrument was prepared by:

606/886-2812

## STATE OF KENTUCKY

# **COUNTY OF LETCHER**

# Clerk's Certificate of Lodgment and Record

I, Wester Mcd, Clerk of the County for the County and State aforesaid, certify that the foregoing Deed was on the 20 day of 1,2005 lodged for record, whereupon the same, with the foregoing and
this certificate have been duly recorded in my office. In Dud Book 378 page 52's
WITNESS my hand, this 20 day of Zuly, 2005.
Winston Mad Clerk
By Dack D.C.

# PROPERTY DESCRIPTION LARRY AND JUANITA WHITAKER

Situated on the North side of Potters Fork of Boone Fork, near Neon Junction, Letcher County, Kentucky and beginning at a one-half inch iron rebar with plastic cap stamped PLS 2734 set at the intersection of two spurs, witnessed by 18" maple with old fence attached, being the common corner to Larry Whitaker, Hubert Gibson and Guy Holbrook Heirs, thence leaving said Hubert Gibson property and down the center of the spur with said Guy Holbrook Heirs line S 13° 01' 32" E 56.68 feet to a one-half inch iron rebar with plastic cap stamped PLS 2734 witnessed by marked 16" hickory; thence S 03° 19' 51" E 103.70 feet to a one-half inch iron rebar with plastic cap stamped PLS 2734 witnessed by a marked 6" maple on the center of the small spur; thence leaving said spur and Guy Holbrook Heirs line and around the hillside N 49° 57' 44" W 208.12 feet to a one-half inch iron rebar with plastic cap stamped PLS 2734, witnessed by a marked 18" hickory located on a small spur, being a line of Hubert Gibson; thence up said spur with said Hubert Gibson's line N 79°58' 08" E 142.72 feet to the point of beginning and containing approximately 0.273 acre, as surveyed by Richard G. Brown, PLS, of R. R. Crawford Engineering, Whitesburg, Kentucky. Said survey completed June 8, 2005.

The above described tract is a part of lands conveyed by Joseph Rowlett et al to Larry Whitaker and Juanita Whitaker, his wife, by deed dated March 5, 1997 and recorded in Deed Book 330, Page 413, records of the Letcher County Court Clerk's Office.

This description was prepared on June 30, 2005, based on surveying conducted on the ground under my supervision. Right of ways or easements could exist on, under or through this property and not be referenced in this description.

Richard G. Brown, PLS Kentucky LS 2734



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